

School District Rainy Day Funds **Governor Haley Barbour**

May 3, 2004

- **Good News** We now have ready money available to handle some of Mississippi's \$161 million education shortfall. There should be no need to decimate other functions of state government when there are reserve school funds available.
- **\$350 million Revelation** When our school districts have at least \$350 million in "rainy day funds" to spend on education there is no reason for teachers to have been fired for budgetary reasons. I call on our school districts to rehire these teachers. There is no education expenditure of greater importance than that spent on a teacher.
- **Only 20% Could Have Saved Our Teachers** Of our 152 school districts, we are told that 2,000 teachers were fired due to the budget crisis - that's 7% of our teacher force. That is approximately \$70 million in teacher salaries, or only 20% of the total "rainy day funds" that we know of.

- **Losing Fired Teachers to Other States** We have Mississippi teachers who were fired for “budgetary reasons” who are now considering offers in Arkansas, Alabama and Tennessee to teach. In many districts, the loss of these teachers could have been avoided.
- **How Much Money is There?** Tomorrow, I call on the Department of Education to give State leaders an up-to-date accounting of these “rainy day funds” as of April 30, 2004. The Legislature can only make accurate decisions about education funding with all of the available facts. These are public funds, and they should not be hidden. There is no reason to have to rely on 2003 data. We expect the “rainy day funds” could be even larger now.
- **Mississippi Already “Rained Out”** The whole purpose behind school districts setting up these savings accounts was to aid during times of budget crisis. Mississippi has spent all of its 2% set aside, or “rainy day fund,” to help fund priorities like

education. This is a prudent thing to do, and our school districts should do the same.

- **Thanks to Good Steward Districts** I want to thank the many schools districts in Mississippi who have been good stewards of their funds and who did not fire any teachers while holding reserve funds. Mississippi taxpayers and parents should applaud these school districts just as they question why the other fired our teachers when they had plenty of money in their savings account. *(Gulfport Public Schools and Newton City Schools covered their shortfall with their “rainy day funds” – no teacher firings.)*
- **The Key Question** When we are told of the special projects these “rainy day funds” were being saved for – I ask this question: “Was it more important than a teacher?”

Examples:

Non-Renewed

Rainy Day Funds

Lee County Public Schools	82 teachers	\$7 million
Natchez-Adams Public Schools	49 teachers	\$3.5 million
Lauderdale County Public Schools	44 teachers	\$4.1 million
Pearl Public Schools	41 teachers	\$3.5 million
Harrison County Public Schools	38 teachers	\$5.5 million
Tupelo Public Schools	13 teachers	\$9.4 million